



**REQUEST FOR ACTION
CITY COUNCIL**

Agenda Date: 4/7/2026

Agenda Section: Other Business

Department Origination: Public Works

Agenda Item: Adopt Resolution 2026-024 Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment for the 2026 Clearwater Road, North Lynndale Area, & Brentwood Circle Street & Utility Improvements Project, Municipal Project No. 4068

Approval Required: Simple Majority Vote

BACKGROUND

Plans for the project were presented at the February 4th Work Session, prior to the City Council Meeting. A Resolution was passed at the Council Meeting Approving Plans and Specifications and Ordering Advertisement for Bids. The information presented at the February 4th meeting noted the project budget amount staying consistent with the budget identified in the Feasibility Report.

Bids for this project were opened on March 10, 2026. The low bid was submitted by RL Larson Excavating Inc. of St Cloud, MN in the amount of \$6,314,781.98. The low bid amount is higher than the construction budget identified in the feasibility report. The total project cost estimate has been updated based on the as-bid construction costs, additional quantities for surfacing related items from the North Lynndale project area that were not accounted for in the bid form, costs to date, and soft cost projections as outlined in the Financial Implications section below.

This project includes special assessments. The City of Baxter’s standard practice is to hold the Assessment Hearing (public hearing) prior to awarding the construction contract. The next steps in the assessment process are to pass two (2) resolutions (at the April 7th City Council Meeting). The first one (attached) is to declare the final amount to be assessed and direct staff to prepare the assessment roll. The second resolution, which is included in a separate RCA, sets the date for the Assessment Hearing. The hearing is planned for Monday May 4, 2026 at 6:00 pm at City Hall. Award of the construction contract is planned for consideration at a subsequent City Council Meeting.

The following information is included to provide information related to the cost differences for the project from the feasibility study to the current as-bid project budget.

Costs for the following items/categories are provided for reference:

Dewatering for Sanitary Sewer and Watermain (difference of as-bid cost to estimated cost in the Feasibility Report)	\$600,000
Lift Station (difference of as-bid cost to estimated cost in the Feasibility Report, including additional depth, trees, fence, and gate)	\$130,000
Additional Street Category Costs (increased quantity and unit prices for street work items, excavation items, dynamic speed limit signs, pedestrian crossing):	\$300,000
Additional Water Costs (replacement of water services on Brentwood Dr):	\$35,000
Additional Engineering Costs:	\$125,000
Added Property Acquisition Costs:	\$10,000
Total (Approximate Budget Difference As-Bid to Feasibility)	\$1,200,000

In general, the increased costs for the project are primarily under the street category and the sanitary sewer category. Additional information related to project funding is included as an attachment.

A resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment is required to move the project forward following the Chapter 429 Special Assessment Process.

FINANCIAL IMPLICATIONS

The updated total project cost budget and financial summary below are based on the low construction bid.

Total Project Costs (Budget) 04/07/2026

<u>Financial Summary</u>	<u>Current (As-Bid)</u>	<u>Feasibility Study</u>
Benefitting Property Assessments	\$1,841,205	\$1,921,005
City Cost	\$6,704,368	\$5,439,468
Total	\$8,545,573	\$7,360,473

The assessments noted in the feasibility report include approximately 26% of the project cost. The calculations above identify approximately 21.5% of the project costs being assessed. Of note, three former tax forfeited parcels have been acquired since the Improvement Hearing. They are included in the Benefitting Property Assessments for the Current (As-bid) budget.

Assessment Information:

SPECIAL ASSESSMENT RATES*

STREET	\$7,860	/ERU
SEWER	\$5,895	/ERU
SAC	\$600	/ERU
WATER	\$5,895	/ERU
<u>WAC</u>	<u>\$600</u>	<u>/ERU</u>
Total	\$20,850	/ERU

*Rates are fixed for the project, the rates proposed are the same as the Feasibility Report

Project Budget (current vs. Feasibility Report):

Project Budget (date April 7, 2026)		Feasibility Report
Construction	\$6,314,781.98	\$5,066,747.00
Additional Street Costs (Lynndale Lane)	\$193,989.50	
Contingency (5%)	\$315,629.02	\$760,012.00
Quality Flow (Lift Station 27 Components)	\$58,650.00	
True North Controls (Antenna/Path Study)	\$815.00	
Pole for Lift Station 27	\$1,850.50	
Prior Engineering	\$81,212.00	\$206,444.00
Prior Engineering (Feasibility Studies by Widseth in 2024/2025)	\$36,065.00	
Engineering- Design, Construction, Geotechnical	\$1,202,152.00	\$1,075,443.00
Legal, Financing, Miscellaneous	\$174,803.00	\$174,803.00
Property Acquisition	\$77,025.00	\$77,025.00
Property Acquisition (Eminent Domain)	\$10,000.00	
SAC/WAC	\$78,600.00	
TOTAL	\$8,545,573.00	\$7,360,474.00

STAFF RECOMMENDATIONS

It is Staff's opinion that bids received do not seem to be a result of an unfavorable bidding environment. Projects throughout the local have not seen significant pricing increases.

Staff recommends adopting Resolution 2026-024 Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment for the 2026 Clearwater Road, North Lynndale Area, & Brentwood Circle Street & Utility Improvements Project, Municipal Project No. 4068.

COUNCIL ACTION REQUESTED

MOTION to Adopt Resolution 2026-024 Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment for the 2026 Clearwater Road, North Lynndale Area, & Brentwood Circle Street & Utility Improvements Project, Municipal Project No. 4068.